

Department of Lands

Analyst: Houston

Historical Summary

OPERATING BUDGET	FY 2002 Total App	FY 2002 Actual	FY 2003 Approp	FY 2004 Request	FY 2004 Gov Rec
BY PROGRAM					
Support Services	3,814,400	3,284,400	3,837,500	4,377,600	4,279,500
Forest Resources Management	17,316,300	14,779,500	14,621,600	16,345,900	15,522,900
Land,Range,Mineral Mgmt	3,895,000	3,351,300	4,174,300	4,552,700	4,484,600
Forest & Range Fire Protection	12,110,900	12,811,100	10,105,100	10,201,900	9,940,500
Scaling Practices	358,600	237,300	309,900	289,800	287,300
Total:	37,495,200	34,463,600	33,048,400	35,767,900	34,514,800
BY FUND CATEGORY					
General	5,187,800	4,729,400	4,766,900	5,072,000	4,843,300
Dedicated	30,786,300	28,131,500	23,759,800	24,940,400	24,006,700
Federal	1,521,100	1,602,700	4,521,700	5,755,500	5,664,800
Total:	37,495,200	34,463,600	33,048,400	35,767,900	34,514,800
Percent Change:		(8.1%)	(4.1%)	8.2%	4.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	13,187,400	16,588,200	13,390,400	13,793,400	13,671,500
Operating Expenditures	10,668,600	14,316,900	7,859,600	9,904,900	9,666,800
Capital Outlay	807,000	1,284,000	972,000	1,129,100	514,700
Trustee/Benefit	721,300	2,274,500	721,300	738,600	721,300
Lump Sum	12,110,900	0	10,105,100	10,201,900	9,940,500
Total:	37,495,200	34,463,600	33,048,400	35,767,900	34,514,800
Full-Time Positions (FTP)	247.61	247.61	249.61	249.61	249.61

Division Description

The Department of Lands has five budgeted programs. 1) The Support Services Program provides staff support to the State Board of Land Commissioners, and provides administrative and technical assistance in areas such as legal, data processing, personnel, fiscal and mapping. 2) The Division of Forest Resources has the responsibility to develop and supervise an annual timber sales program of 165,000,000 to 200,000,000 board feet on State endowment lands; develop and administer an intensive forest improvement program to enhance the productivity of state forest lands; and provide assistance to Idaho's cities and rural communities in the areas of the forest practices act, forest stewardship, and urban forestry programs. 3) The Land, Range, and Mineral Resource Management program maximizes income from cropland, grazing, mineral resources, recreation sites and special surface uses of State owned land. It provides environmental protection of the State's natural resources and public trust lands through active administration of the Lake Protection Act, Surface Mining Act, Dredge & Placer Mining Act, and the Oil & Gas Conservation Commission Act. The program administers a State land sale and exchange program and uses the land exchange program to consolidate State ownership for management efficiency while acquiring high value, high revenue producing property. 4) The Forest and Range Fire Protection program provides protection to the timbered and grazing lands and resources of the state through prevention, rapid detection and suppression of wildfire; and provides assistance to rural community fire departments. 5) The Board of Scaling Practices is charged with the responsibility of assuring that only competent and certified scalers are used by the forest products industry to scale (measure) forest products in a standard, uniform method statewide.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2003 Original Appropriation	249.61	4,766,900	33,048,400	249.61	4,766,900	33,048,400
1. Tussock Moth Control	0.00	485,000	1,245,000	0.00	485,000	1,245,000
2. Fire Suppression	0.00	3,835,000	5,085,000	0.00	3,835,000	5,085,000
Budget Reduction (Neg. Supp.)	0.00	(166,800)	(166,800)	0.00	(166,800)	(166,800)
Transfer to Deficiency Funds	0.00	(4,320,000)	0	0.00	(4,320,000)	0
FY 2003 Total Appropriation	249.61	4,600,100	39,211,600	249.61	4,600,100	39,211,600
Expenditure Adjustments	0.00	0	0	0.00	0	0
FY 2003 Estimated Expenditures	249.61	4,600,100	39,211,600	249.61	4,600,100	39,211,600
Removal of One-Time Expenditures	0.00	0	(7,680,600)	0.00	0	(7,680,600)
Restore Budget Reduction	0.00	166,800	166,800	0.00	0	0
FY 2004 Base	249.61	4,766,900	31,697,800	249.61	4,600,100	31,531,000
Personnel Cost Rollups	0.00	42,800	200,100	0.00	49,000	231,300
Inflationary Adjustments	0.00	38,900	343,300	0.00	0	0
Replacement Items	0.00	23,200	675,300	0.00	23,200	675,300
Nonstandard Adjustments	0.00	173,900	439,200	0.00	171,000	424,800
Change in Employee Compensation	0.00	26,300	145,400	0.00	0	0
FY 2004 Program Maintenance	249.61	5,072,000	33,501,100	249.61	4,843,300	32,862,400
1. Commercial Leasing Program	0.00	0	291,000	0.00	0	291,000
2. CWE & National Fire Plan	0.00	0	1,141,100	0.00	0	1,141,100
3. Field Equipment	0.00	0	120,300	0.00	0	120,300
4. Hazardous Materials Survey	0.00	0	100,000	0.00	0	100,000
5. Office Additions & Storage	0.00	0	614,400	0.00	0	0
Lump-Sum Budget for Fire Protection	0.00	0	0	0.00	0	0
FY 2004 Total	249.61	5,072,000	35,767,900	249.61	4,843,300	34,514,800
Change from Original Appropriation	0.00	305,100	2,719,500	0.00	76,400	1,466,400
% Change from Original Appropriation		6.4%	8.2%		1.6%	4.4%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Original Appropriation	249.61	4,766,900	23,759,800	4,521,700	33,048,400

1. Tussock Moth Control

Forest Resources Management

Last legislative session, the Department of Lands notified JFAC of additional costs to treat a zone of tussock moth infestation in the Moscow Mountain Area. JFAC included a section in the department's appropriation bill to raise the cap on the Land Board's use of forest pest deficiency warrants from \$250,000 to \$500,000 for 2002 and stipulated that costs for treatments other than to state lands were to be reimbursed according to cooperative agreements approved by the State Board of Land Commissioners. JFAC recommended cooperating owners pay 12.5% of the total costs of treatments to their properties. The Land Board ultimately approved that match rate. The IDL treated 30,107 acres of which 21,769 were industry owned (72%), 3,820 were non-industrial private owners (13%), 150 acres were owned by the Coeur d'Alene Tribe (.5%), and 4,368 acres were owned by the state endowments (14.5%). Total costs of the 2002 project were \$1,244,900 of which \$600,000 (48%) was covered by a USFS grant. Landowners contributed \$159,900 (12.5% with a few adjustments) leaving \$485,000 (39%) in deficiency to be covered by the General Fund. [One-time]

Agency Request	0.00	485,000	160,000	600,000	1,245,000
Governor's Recommendation	0.00	485,000	160,000	600,000	1,245,000

2. Fire Suppression

Forest and Range Fire Protection

The Idaho Department of Lands (IDL) estimates the costs of fire suppression for the 2002 fire season at \$3.835 million from the General Fund and \$1.250 million in dedicated spending authority for receipts received from cooperating agencies. The department participates in cooperative fire fighting agreements with federal, local and other state agencies. The state is then responsible for the costs incurred for fire suppression on lands protected by the state regardless of ownership. The department will provide a better estimate of costs in January 2003 that will be reflected in the Governor's Recommendation. The IDL requests lump-sum spending authority to reimburse the deficiency warrants from the standard object from which the costs were incurred. [One-time, lump-sum]

Agency Request	0.00	3,835,000	1,250,000	0	5,085,000
Governor's Recommendation	0.00	3,835,000	1,250,000	0	5,085,000

Budget Reduction (Neg. Supp.)

Reflects the Governor's 3.5% General Fund holdback for FY 2003. The department's plan reduces fire preparedness by \$102,000, forestry assistance by \$15,000, staff travel by \$15,000, temporary support services by \$29,800, and infrastructure maintenance by \$5,000 for a total of \$166,800.

Agency Request	0.00	(166,800)	0	0	(166,800)
Governor's Recommendation	0.00	(166,800)	0	0	(166,800)

Transfer to Deficiency Funds

Transfers the General Fund appropriation for Tussock Moth to the pest deficiency warrant fund for actual expenditure and from the General Fund to the fire suppression deficiency warrant fund for actual expenditure.

Agency Request	0.00	(4,320,000)	4,320,000	0	0
Governor's Recommendation	0.00	(4,320,000)	4,320,000	0	0

FY 2003 Total Appropriation

Agency Request	249.61	4,600,100	29,489,800	5,121,700	39,211,600
Governor's Recommendation	249.61	4,600,100	29,489,800	5,121,700	39,211,600

Expenditure Adjustments

Adjusts 8.2 FTP's between programs and fund sources to reflect organizational changes.

Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

Department of Lands

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2003 Estimated Expenditures					
Agency Request	249.61	4,600,100	29,489,800	5,121,700	39,211,600
<i>Governor's Recommendation</i>	<i>249.61</i>	<i>4,600,100</i>	<i>29,489,800</i>	<i>5,121,700</i>	<i>39,211,600</i>

Removal of One-Time Expenditures

Remove funding provided for one-time items including one-time supplementals.

Agency Request	0.00	0	(7,080,600)	(600,000)	(7,680,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(7,080,600)</i>	<i>(600,000)</i>	<i>(7,680,600)</i>

Restore Budget Reduction

Restore Governor's holdback to build the FY 2004 base.

Agency Request	0.00	166,800	0	0	166,800
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The Governor recommends that reductions made in appropriations in fiscal year 2003 not be restored to the budget base.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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FY 2004 Base					
Agency Request	249.61	4,766,900	22,409,200	4,521,700	31,697,800
<i>Governor's Recommendation</i>	<i>249.61</i>	<i>4,600,100</i>	<i>22,409,200</i>	<i>4,521,700</i>	<i>31,531,000</i>

Personnel Cost Rollups

Includes the employer portion of estimated changes in employee benefit costs. The majority of this cost is from a projected increase in health insurance costs of \$711 per position.

Agency Request	0.00	42,800	155,600	1,700	200,100
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The Governor also recommends additional funding to be applied to the employee paid portion of health and dental insurance cost increases, in order to prevent employees from experiencing a reduction in take-home pay.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>49,000</i>	<i>180,300</i>	<i>2,000</i>	<i>231,300</i>
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Inflationary Adjustments

Includes a general inflationary increase of 2.4% in operating expenditures and trustee/benefit payments.

Agency Request	0.00	38,900	221,000	83,400	343,300
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The Governor recommends no increase for general inflation.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
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Replacement Items

Includes \$116,800 for computer equipment, \$271,500 for 11 pickups, \$80,000 for two truck chassis, \$150,700 for field equipment, and \$56,300 for radios.

Agency Request	0.00	23,200	652,100	0	675,300
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>23,200</i>	<i>652,100</i>	<i>0</i>	<i>675,300</i>
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Nonstandard Adjustments

Includes adjustments for internal billing fees from other agencies: \$428,900 for Attorney General fees, \$2,000 for legislative audits, \$700 for Controller fees, \$12,400 for space charges, a reduction of \$7,700 for risk management costs, and \$2,900 for State Treasurer fees. The Attorney General fees reflect a 263% increase from \$162,800 to \$591,700 due to cost allocations based on the FY 2002 actual attorney costs.

Agency Request	0.00	173,900	265,300	0	439,200
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Removes requested funding increases for legislative audits and space charges.

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>171,000</i>	<i>253,800</i>	<i>0</i>	<i>424,800</i>
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Department of Lands

Analyst: Houston

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	26,300	111,500	7,600	145,400
<i>The Governor does not recommend new funding for state employee pay increases. Compensation increases may be funded with agency salary savings wherever possible.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2004 Program Maintenance					
Agency Request	249.61	5,072,000	23,814,700	4,614,400	33,501,100
Governor's Recommendation	249.61	4,843,300	23,495,400	4,523,700	32,862,400
1. Commercial Leasing Program			Land, Range, and Mineral Resource Management		
The commercial leasing program is requesting additional spending authority from the Endowment Earnings Reserve Fund to pay for commercial property maintenance, cottage site appraisals, and long-term lease development. The request includes \$20,000 for property development and marketing costs, \$166,000 for ongoing lease operations, and \$60,000 for maintenance and replacement of building equipment for several commercial properties in the Boise. The request also includes \$45,000 to allow the department to meet its statutory and contractual obligations to appraise a portion of the Priest Lake cottage sites on an annual basis. [Ongoing]					
Agency Request	0.00	0	291,000	0	291,000
Governor's Recommendation	0.00	0	291,000	0	291,000
2. CWE & National Fire Plan			Forest Resources Management		
Additional federal fund spending authority is requested for cumulative watershed effects (CWE) analysis on forested watersheds and National Fire Plan activities. Funding of \$116,100 is included for personnel costs to pay six 1,385 hour temporary employees and \$25,000 is included for related operating costs to do cumulative watershed effects analysis in coordination with DEQ and the TMDL process. An amount of \$1 million in spending authority is included for National Fire Plan grants to reduce hazardous levels of fuel on private lands in Idaho. [Ongoing]					
Agency Request	0.00	0	0	1,141,100	1,141,100
Governor's Recommendation	0.00	0	0	1,141,100	1,141,100
3. Field Equipment			Forest Resources; Land, Range, and Mineral Mgmt		
Due to departmental reorganization, personnel have been shifted to the field offices. This decision unit provides needed equipment for employees to complete their new duties, which include timber sales, forest improvement projects, and grazing lease inspections. The request includes four additional trucks with radios for \$87,400, three all-terrain vehicles (ATV's) for \$18,500, three portable radios for \$2,100, two data recorders for \$1,500, a paint storage container for tree marking for \$1,500, a snowmobile for \$6,500, and two relaskops to estimate tree heights for \$2,800. Funding is from endowment earnings. [One-time]					
Agency Request	0.00	0	120,300	0	120,300
Governor's Recommendation	0.00	0	120,300	0	120,300
4. Hazardous Materials Survey			Land, Range, and Mineral Resource Management		
State land has been used for a variety of purposes in the past decades, including land fills and open pit mines. Some of these uses have been authorized and some have not. This decision unit provides funding to contract with professional engineers to investigate the nature, origin, and extent of potential contaminants on state endowment lands. In the event contaminants are discovered, the state and its former lessees may be liable for cleanup. Funding is requested from the Earnings Reserve Fund. [Ongoing]					
Agency Request	0.00	0	100,000	0	100,000
<i>The Department changed this request to ongoing on December 30, 2002. The Governor reflects the original request of \$100,000 as one-time.</i>					
Governor's Recommendation	0.00	0	100,000	0	100,000

Department of Lands

Analyst: Houston

Budget by Decision Unit

	FTP	General	Dedicated	Federal	Total
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5. Office Additions & Storage

Forest Resources Management

Several of the Department's administrative facilities no longer provide the space needed for existing staff and provide no room for expansion. Meeting rooms have been converted to office space. This decision unit provides for 60% of the cost to expand two area offices and to build a new office with vehicle storage at Priest Lake. The funding source of this 60% is from endowment earnings. The request is broken down as follows: \$135,000 to add a wing to the existing Kamiah Area office, \$94,000 to add an additional 700 sq. ft. to the area office in Deary, \$675,000 to replace the Priest Lake Office, and \$120,000 to provide a vehicle storage shed at Priest Lake. The total of these projects is \$1,024,000. The Department has requested the other 40% from the Permanent Building Fund Advisory Council. [One-time, requires PBFAC approval]

Agency Request	0.00	0	614,400	0	614,400
Governor's Recommendation	0.00	0	0	0	0

Lump-Sum Budget for Fire Protection

The Department of Lands requests a lump-sum appropriation for the Forest and Range Fire Protection Program only. This provides the department the flexibility to hire temporary seasonal labor, pay overtime, or contract for fire related activities.

Agency Request	0.00	0	0	0	0
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The Governor recommends a lump-sum budget for the Forest and Range Fire Protection program only.

Governor's Recommendation	0.00	0	0	0	0
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FY 2004 Total

Agency Request	249.61	5,072,000	24,940,400	5,755,500	35,767,900
Governor's Recommendation	249.61	4,843,300	24,006,700	5,664,800	34,514,800

Agency Request

Change from Original App	0.00	305,100	1,180,600	1,233,800	2,719,500
% Change from Original App	0.0%	6.4%	5.0%	27.3%	8.2%

Governor's Recommendation

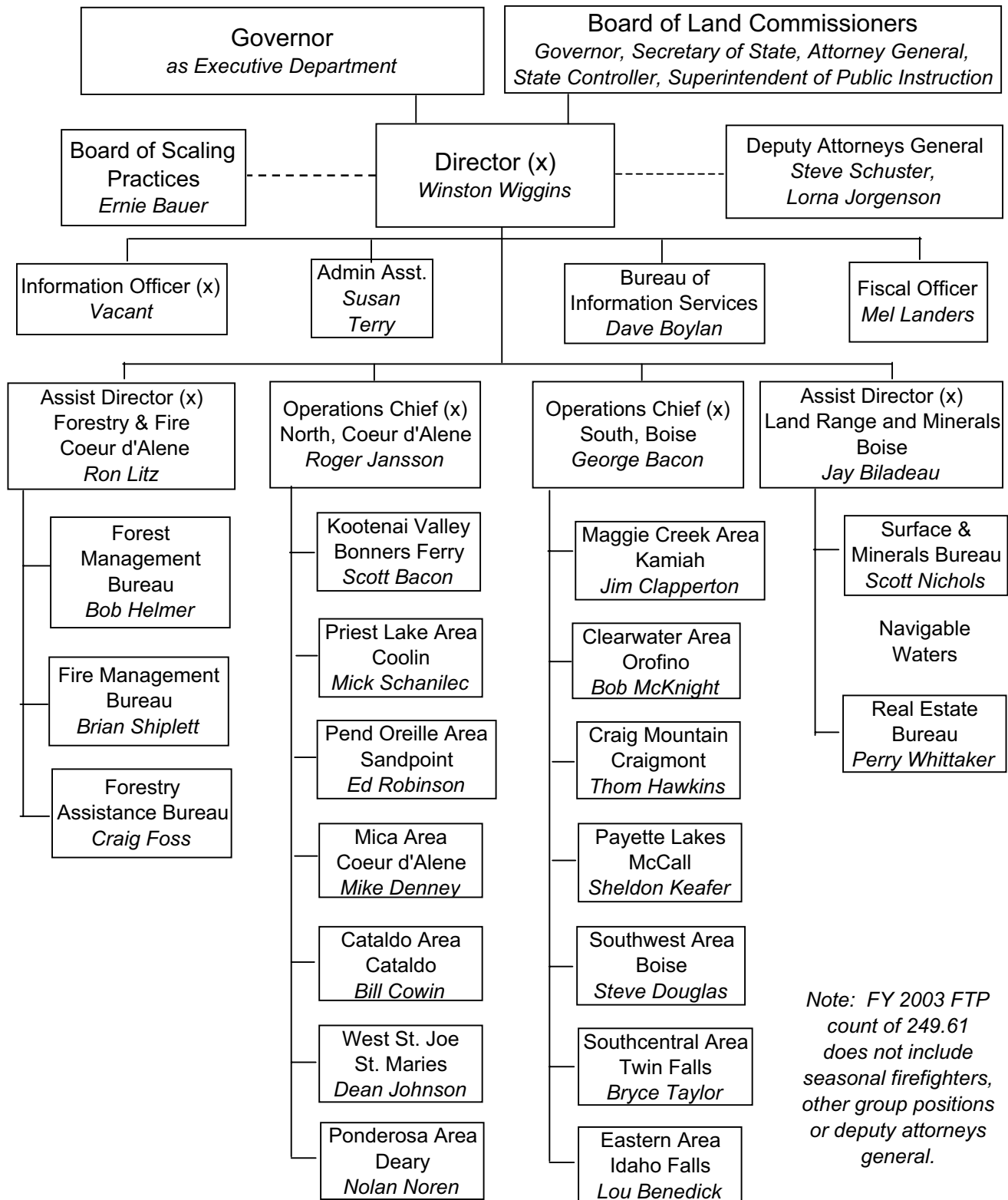
Change from Original App	0.00	76,400	246,900	1,143,100	1,466,400
% Change from Original App	0.0%	1.6%	1.0%	25.3%	4.4%

Department of Lands

Issues & Information

Analyst: Houston

Organizational Chart



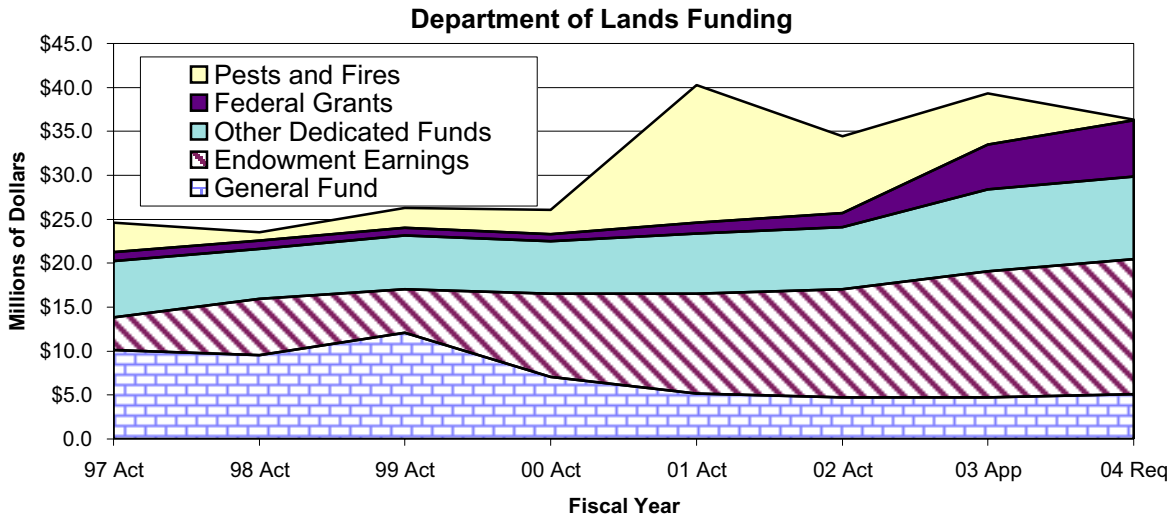
Note: FY 2003 FTP
count of 249.61
does not include
seasonal firefighters,
other group positions
or deputy attorneys
general.

(x) = exempt position

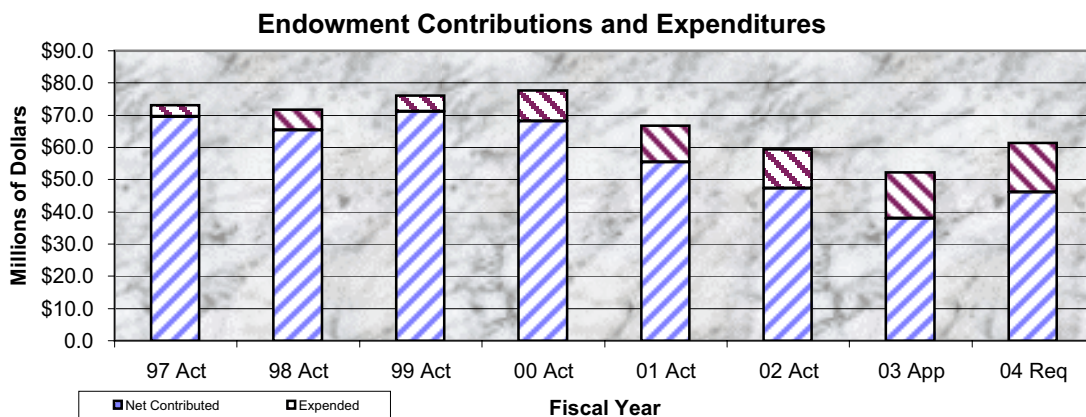
Department of Lands Issues & Information

Analyst: Houston

Funding History



Endowment Reform: The legislature shifted \$3.2 million in FY 2000 from the General Fund to the Land Improvement Fund and another \$2.5 million in FY 2001 from the General Fund to the Endowment Administrative Fund. These were endowment related costs that had been subsidized by the General Fund. In addition to the fund shifts, the Endowment funded portion grew by \$3.7 million from FY 99 to FY 2003. The FY 2004 request would add another \$1.1 million or 7.6% from endowment earnings bringing the endowment budget to



Endowment Contributions: Before Endowment reform, the Department took 10% of revenues to cover its costs. Since FY 2001, all revenues except land sales and mining revenues have gone to the Endowment Earnings Reserve and the full costs of operations have been paid from earnings. Lands contributions decreased from the \$60 to \$70 million range in FY 1997 through FY 2000 to \$46 million in FY 2002. Despite this reduction, the Department of Lands contributed four times more than its operating costs to the beneficiaries. FY 2003 and FY 2004 assume \$38 and \$46 million contributions after expenses. (Note: FY 2001 does not include the transfer to the Earnings Reserve Fund of \$25 million, saved up over the years in the 10% fund.)



Strategic Plan 2003-2007

MISSION STATEMENT

We manage endowment lands to maximize long-term financial returns to the beneficiaries, and provide protection to Idaho's natural resources.

VISION STATEMENT

We will be the leader in natural resource management and protection services, while generating revenue from state endowment lands.

GOAL ONE:

ANTICIPATE SOCIAL, POLITICAL AND ECONOMIC CHANGES AND RESPOND APPROPRIATELY WITHOUT COMPROMISING THE DEPARTMENT MISSION.

GOAL TWO:

PROVIDE TIMELY, CREDIBLE, DEFENSIBLE DATA TO SUPPORT DECISIONS OF THE STATE BOARD OF LAND COMMISSIONERS, GUIDE DEPARTMENT DECISIONS, AND HELP MEET THE NEEDS OF OTHER USERS.

GOAL THREE:

MAINTAIN HEALTHY FOREST AND RANGE LANDS.

GOAL FOUR:

MANAGE ENDOWMENT LANDS IN A BIOLOGICALLY SOUND MANNER TO MEET FINANCIAL CRITERIA.

GOAL FIVE:

MAINTAIN A PRODUCTIVE, WELL-TRAINED WORKFORCE.

Note: See full *Strategic Plan 2003-2007* for obstacles and objectives. See *State of Idaho Performance Report* for major functions and targeted performance standards for each function.